

---

## HIGHLIGHTS

- Equity markets (as represented by the S&P 500 Index) rose +8.7% during the quarter.
  - The Glenmede Strategic Equity strategy underperformed the S&P 500 Index by -0.9% net of fees.
  - The strategy continues to focus on owning a diversified group of high-quality businesses with sustainable advantages that should be able to manage well through most economic scenarios.
- 

The S&P 500 Index finished the quarter ending on June 30, 2023 with a total return of 8.7%. As in the first quarter, strong performance from a few of the largest companies in the benchmark helped drive much of the performance, with the average stock having a much more modest 3.8% return. Those few large companies helped propel the Information Technology, Communications and Consumer Discretionary sectors to lead the market. The Utilities, Energy and Consumer Staples sectors posted negative returns for the period. The largest companies in the benchmark benefitted from a combination of improving near-term earnings outlooks along with excitement about rapid advances in artificial intelligence (“AI”). That helped push their valuation multiples much higher as investors began to underwrite stronger future earnings. There was an increase in market breadth later in the quarter as investors began to feel better about the overall economic outlook, but few other companies are currently seen as major beneficiaries from AI.

The Strategic Equity strategy returned 8.0% gross and 7.8% net for the quarter, -0.9% net of fees behind of the S&P 500. Underperformance relative to the benchmark was largely driven by lower exposure to the largest companies, with the weakest relative performance seen in the Consumer Discretionary and Information Technology sectors. This was partially offset by strong stock selection in the Materials and Health Care sectors and having no direct exposure to the weaker-performing Utilities and Real Estate sectors.

The market benefitted from increasing soft-landing expectations and an easing in inflationary pressures. Whether those expectation play out will be key to the increase in market breadth gaining more traction. There continues to be a segment of the market believing a recession and earnings contraction to be inevitable, so

risks remain in staking out either position with high conviction. However, current market valuation levels would appear to leave more downside than upside risk to prices. The strategy continues to focus on owning a diversified group of high-quality businesses with sustainable advantages that should be able to manage well through most economic scenarios. We continue to pay close heed to valuation levels, as well, so we can benefit in upside scenarios but help protect in downside ones.

## STRATEGIC EQUITY Composite Performance (%)

As of 6/30/2023	QTD	YTD	1 YEAR	3 YEAR*	5 YEAR*	10 YEAR*	SINCE INCEPTION* (3/31/04)
Glenmede (Gross)	8.0	13.5	20.8	14.9	10.8	12.8	9.5
Glenmede (Net)	7.8	13.1	19.9	14.1	10.0	11.9	8.7
S&P 500 Index	8.7	16.9	19.6	14.6	12.3	12.9	9.6

\*Annualized

Glenmede Investment Management, LP claims compliance with the Global Investment Performance Standards (GIPS®).

Glenmede Investment Management, LP, a registered Investment Advisor, is an affiliate of The Glenmede Trust Company, NA (GTC). The "Firm" is defined as all investment advisory accounts managed by Glenmede Investment Management LP. Effective January 1, 2007, the Investment Product Management Group of GTC became Glenmede Investment Management, LP. All performance prior to January 1, 2007, shown here as the performance of GIM, was previously reported as the performance of the Investment Product Management Group of the Glenmede Trust Company.

**Past performance is not indicative of future performance and may be lower or higher than the performance quoted.** All of the composites' valuations and returns are computed and stated in U.S. Dollars. Additional information regarding the Firm's policies for valuing portfolios, calculating performance and preparing compliant presentations, is available upon request. A GIPS® compliant presentation, as well as a complete list of firm composites and performance, can be requested from GIM Client Service at 215.419.6662. Please see the GIPS® presentation for further explanation.

The Strategic Equity Composite objective is to achieve above-benchmark long term return, consistent with reasonable risk to principal, by investing in well-managed companies with durable business models, good growth prospects, and attractive valuations. The Standard and Poor's 500 Composite Index consists of 500 widely held common stocks. This unmanaged index is a total return index with dividends reinvested. One cannot invest directly in an index.

GIPS® is a registered trademark owned by CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein.

Views expressed include opinions of the portfolio managers as of June 30, 2023, based on the facts then available to them. All facts are gathered in good faith from public sources, but accuracy is not guaranteed. Nothing herein is intended as a recommendation of any security, sector or product. **Returns represent past performance and are not guarantees of future results.** Actual performance in a given account may be lower or higher than what is set forth above. All investment has risk, including risk of loss. Designed for professional and adviser use.

Q2  
2023

1650 Market Street, Suite 1200 Philadelphia, PA 19103-7391  
215-419-6662 | gimclientsupport@glenmede.com

[glenmedeim.com](http://glenmedeim.com)

**GLENMEDE**  
INVESTMENT MANAGEMENT